

# compUpdate

**B**usinesses that make safety a priority can reduce lost workday claims in the first year of a safety program by an average of 37 percent, according to Du Pont Safety Services, which analyzed records of its consultation clients.

According to the study, lost workday claims continue to drop in subsequent years, although at a slower pace. However, total improvement can average 89 percent after six years of a commitment to safety.

One significant finding of the study is that the results are independent of company size, industry or location. Small or large, a business that creates a safety culture that has the safety of its employees as a priority can reduce the potential for losses.

This issue of *compUpdate* focuses on loss prevention and how your business can create a safety culture.

## LOSS PREVENTION



CREATING A SAFETY CULTURE

## Loss prevention program's 7 essential elements

The seven essential elements of an effective loss prevention program are outlined below:

1. Establish a Management Safety Policy. Make a written commitment that safety and safe work procedures have a high priority and that supervisors and employees are to be responsible and accountable for safe work practices and procedures.
2. Assign key employees responsibility for safety. Assign supervisors the responsibility and authority to develop safe work procedures, recognize and correct physical hazards, train employees and enforce safety rules. Hold supervisors accountable for conducting the five safety activities listed below.
3. Identify, eliminate or control hazards. Make inspections on a

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## Management policy directive needed

The heart of your loss prevention program is the culture that affects every aspect of the organization. A management policy directive should serve as a definition of your organization's culture. It is this culture that will have the greatest impact on safety performance and the success of your entire organization.

Your duty as a manager is to create a **safety culture** that has the safety and health of all employees as a priority. The directive should state exactly how you and/or the manage-

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# Management policy directive

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ment of the organization approach safety and thereby define the type of culture that is intended for the organization.

The directive may also be referred to as a mission statement, safety policy, or safety philosophy. It can be a simply stated paragraph or an elaborate document outlining the responsibilities of all the members of the organization. Either type may be equally as effective, depending on the structure of your organization. The goal is communication and therefore the medium is not as important as the message that is received.

When evaluating the success of your directive, the focus is on how well the employees receive the message and then their perception of the commitment from top management to support it. The best directive is one that defines the safety culture and is not only accepted, but also embraced at every level of the organization.

The following is an example of a management safety policy:

***The safety and health of employees at our company is of primary importance. It is the company's policy to provide safe and healthful working conditions and operating practices that will ensure a safe work environment for employees.***

***Accidents represent a needless waste of human resources and economic loss. A safe and healthful operation conserves human and material resources and is essential to efficient production.***

***All levels of management have a primary responsibility for the safety of all employees. The employee, in turn, is expected to adhere to the regulations and policies outlined by the company.***

***These responsibilities can be met only by working continuously to promote safe work practices among all employees and to maintain property and equipment in a safe operating condition. By working together, we can maintain a safe working environment for all employees.***

***Signature***

***Owner, Manager, Administrator, etc.***

The message is clear and briefly describes the importance of working safely and also the responsibility of each member of the organization in the process. The challenge then becomes making this a living document. Develop a culture that recognizes that your philosophy about safety is not only possible, but that it is essential to the ultimate success of the organization. Once all levels of the organization embrace the intent of the policy and project it through their actions, then your organization will be on its way to maintaining what is known as a **safety culture**.

# 7 essential elements of loss prevention plan

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regular basis to identify, eliminate or control physical hazards and unsafe work procedures. Follow up to ensure corrections are made.

4. Investigate all "near miss," property damage and injury situations. Prompt, thorough and objective investigations should be made by supervisors to answer who, what, where, why and when, determine cause, recommend or make corrections, and retain a record for future reference.
5. Maintain accurate, up-to-date records. Accurate up-to-date records provide a ready reference for needed or requested information. Records also assist in meeting statutory reporting requirements, measure progress in loss prevention, training and production activities.
6. Train supervisors and employees in safe work procedures and job hazards. Supervisors may need training in determining safe work practices, performing step-by-step job safety analysis, and detecting hazardous exposures. Employees need to be trained to perform tasks safely as well as training in operating specialized or sophisticated equipment.
7. Schedule safety meetings or group safety training and encourage worker participation. Safety meetings involve supervisors and employees in safety planning, enhance safety consciousness, and act as a forum for suggestions and discussions to improve safety and production procedures.

# SIF provides loss prevention assistance

**Local Service:** The Risk Management Department provides loss prevention assistance directly to policyholders at the local level through district offices located throughout the state.

**Loss Prevention Services:** Working closely with policyholders, our Risk Management Consultants assist policyholders in reducing injuries and controlling losses through loss prevention services designed to identify injury potential and promote safety awareness. Our services include:

Assistance in developing a written safety policy.

Assistance in establishing a claims management program to monitor claims progress and return injured workers to light duty, modified duty or regular work as soon as possible.

Training programs for key employees in specific areas such as the Forklift Training Standard or the Hazard Communication Standard.

**Loss Prevention Surveys:** To evaluate a policyholder's current loss prevention effort and identify loss prevention activities or actions the

policyholder can take to help reduce or eliminate potential injuries.

**Supervisor Training Program:** A four-hour course designed to teach supervisors how to conduct loss prevention activities, reduce losses and improve performance.

**Industrial Hygiene Services:** Chemical, physical, biological and ergonomic stresses in the workplace can be evaluated and recommendations made to reduce or control potential risks.

**Site Assessments:** To assist policyholders in identifying and correcting physical hazards.

**Work Observations:** To assist policyholders in analyzing work processes and developing safe work procedures.

**Reporting Services:** We provide a Report of Claims on a quarterly basis to policyholders who have claims

filed during a policy year. We also provide cost analysis summaries on an annual basis to help policyholders follow their individual performance, recognize the premium/cost relationship in insurance and determine their net costs.



## 4-hour Supervisor's Training Course offered

One of the services that we offer that we have found to be very effective is our Supervisor's Training Course. If a policyholder is willing to issue a management safety policy, we will provide this four-hour training course.

The State Insurance Fund's Supervisor's Training Course is designed to show supervisors and managers the cost of work-related accidents and the safety activities that supervisors can use to reduce losses. Please note that this is **not** meant to train managers, supervisors, or employees in how to safely perform their specific job duties. This course will provide supervisors with a better understanding of safety management concepts and activities including:

- Human and economic costs of accidents
- Supervisor responsibilities
- Investigation of accidents and determining the basic cause
- Job safety analysis
- Training and motivation
- Record keeping

- Job pride development
- Promotion of a safety culture

With this knowledge, your supervisors will be able to:

- Motivate employees to be safety conscious as they perform their duties.
- Consider safety issues as the supervisors develop job-specific safe work methods and procedures for their employees.
- Make safety a part of daily activities on a level with production, or any other performance measurement.

Training materials include a resource workbook for all those attending the class. The workbook material is supplemented with a variety of videos and class exercises. Often during the course, questions will lead to brainstorming on a specific issue your supervisors face and creative ideas can surface.

This course is offered at no charge to policyholders who have made a management commitment to reduce losses through signing and distributing a written safety policy.

# Overall rate falls

Idaho will see an overall decrease in workers compensation rates in 2003 of approximately 2.7 percent. The drop comes after a 1.1 percent dip in 2002.

The State Insurance Fund has gained approval from the Department of Insurance for a 7 percent deviation, or across-the-board cut, from the standard rates approved for 2003.

The 2003 rates were proposed by the National Council on Compensation Insurance and approved by the Department of Insurance. The NCCI is a rating organization whose membership consists of workers compensation insurers.

Policyholders should not expect, however, to see their rates go down exactly 2.7 percent when their policies are renewed. Rates are set for approximately 600 classifications for various types of employments. The 2.7 percent decrease is an overall average. Some policyholders' rates may decrease, while other policyholders may experience increases. The actual premium cost for individual policyholders also is affected by claims experience.

The Fund's rates are available on our Web site at [www2.state.id.us/isif/2003rates.htm](http://www2.state.id.us/isif/2003rates.htm).

## Return supplemental reports

If a policyholder wants to ensure that a claim has been closed in a timely manner, it is important to return a supplemental report.

Idaho Code 72-602 requires that an employer submit a supplemental report when a claimant **returns to work**. When the Fund submits a Summary of Payment to the Industrial Commission to close a file, the IC requires the Fund to send the supplemental report documenting when the injured worker returned to work. The file cannot be closed if the Fund does not submit the supplemental report.

A supplemental form usually is provided by the Fund claims examiner handling the claim. One can also be obtained by calling the Fund or by getting one from our Web site at [www2.state.id.us/isif/](http://www2.state.id.us/isif/).

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[www2.state.id.us/isif/](http://www2.state.id.us/isif/)

ANTI-FRAUD HOTLINE 1-800-448-ISIF (4743)

## Bonuses must be reported

The Audit Department would like to remind employers that all bonuses, including year-end bonuses, are reportable payroll for workers compensation purposes. Please report the bonuses in the classification where regular payroll is reported for each worker.

We would also like to encourage employers to use the Employers Payroll Report form provided by the Fund. Some employers have designed their own reports and submitted them as a replacement for ours. With advanced technology, we are now able to process our form more efficiently with pre-coded information that is included on the form. Custom-made forms may cause delays in processing and generate reminder or cancellation notices.

If you have questions on how to prepare your payroll report or what payroll to report, please contact the Audit Department at (208) 332-2150.

## Reminder: Paying own claims doesn't make Cents

A common misconception is that an employer can avoid increased workers compensation premiums by paying small medical bills for injured workers and not reporting the injury. Simply put, no, that's not the case. An unreported minor injury could result in major problems.

We would like to remind you that Idaho Code 72-602 requires an employer to report any work-related injury that requires medical treatment or results in an injured worker missing at least one day of work. The code further provides that an employer who willfully fails to report such an injury "shall be guilty of a misdemeanor."

For more in-depth information on failure to report injuries, see our Fall 2000 issue of *compUpdate*, which is available on our Web site at [www2.state.id.us/isif/compUpdate/payclaims.htm](http://www2.state.id.us/isif/compUpdate/payclaims.htm).